City of Irvine CALIFORNIA

MAY 2021



HOUSING REPORT

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The Real State of USA Real Estate

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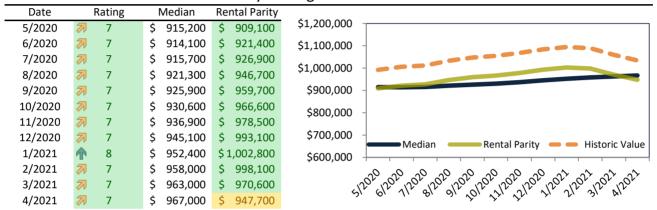


Historically, properties in this market sell at a 9.2% premium. Today's premium is 2.1%. This market is 7.1% undervalued. Median home price is \$967,000, and resale \$/SF is \$475/SF. Prices fell 0.6% year-over-year.

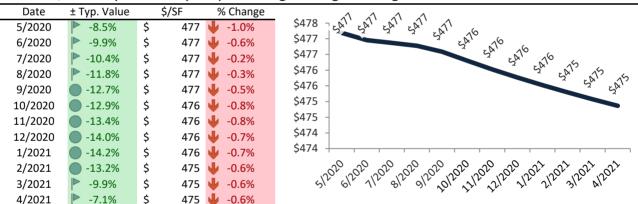
Monthly cost of ownership is \$3,935, and rents average \$3,857, making owning \$078 per month more costly than renting. Rents rose 4.2% year-over-year. The current capitalization rate (rent/price) is 3.8%.

Market rating = 7

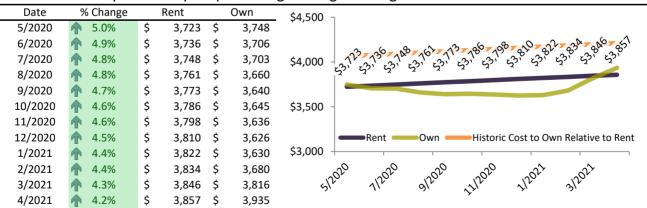
Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



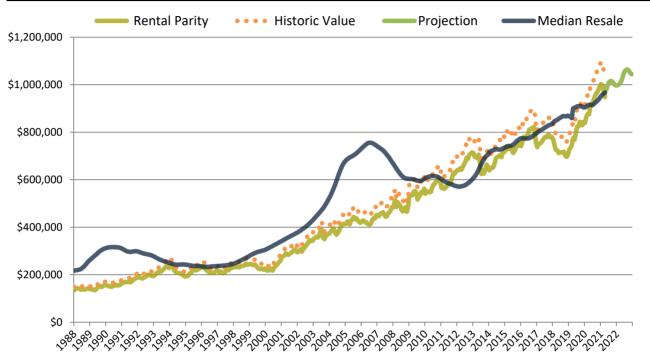
Rental rate and year-over-year percentage change trailing twelve months



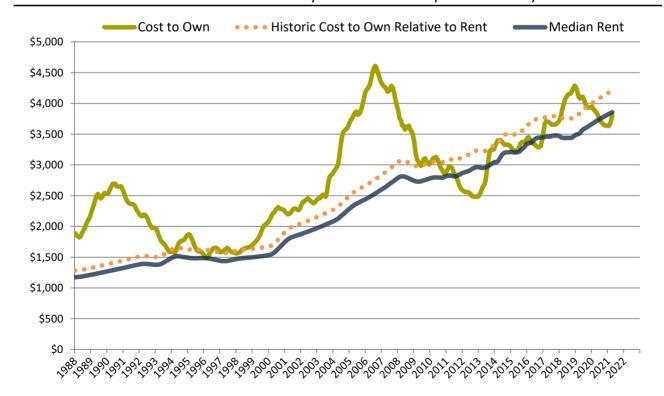
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Irvine median home price since January 1988



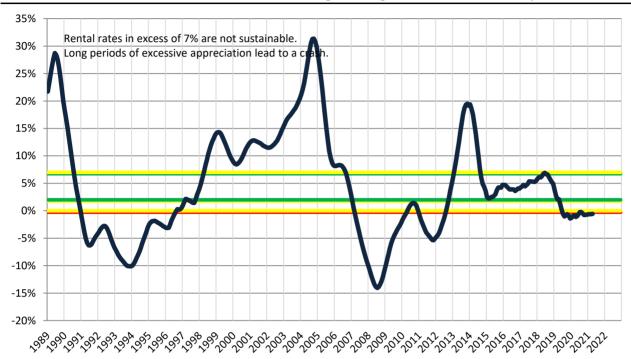
Irvine median rent and monthly cost of ownership since January 1988



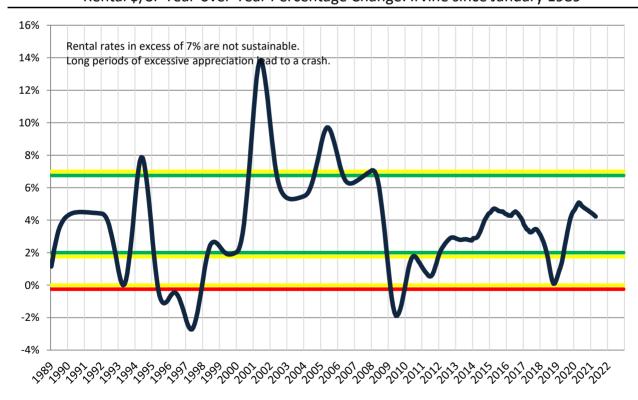
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Resale \$/SF Year-over-Year Percentage Change: Irvine since January 1989



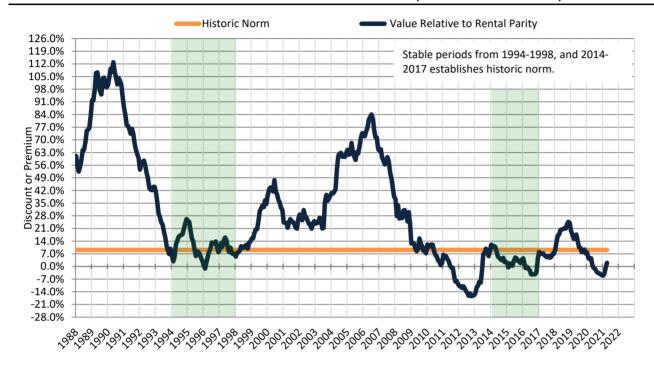
Rental \$/SF Year-over-Year Percentage Change: Irvine since January 1989



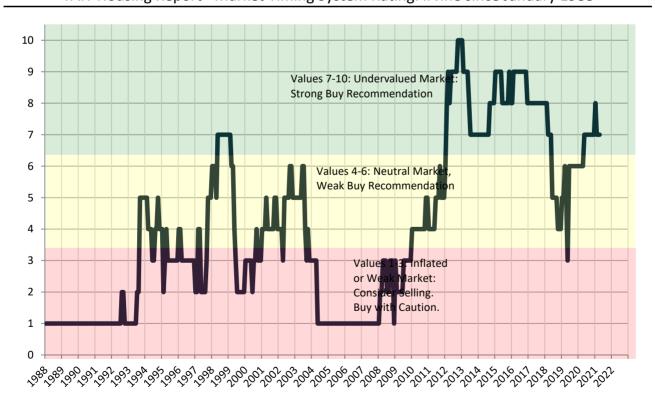
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Historic Median Home Price Relative to Rental Parity: Irvine since January 1988



TAIT Housing Report® Market Timing System Rating: Irvine since January 1988



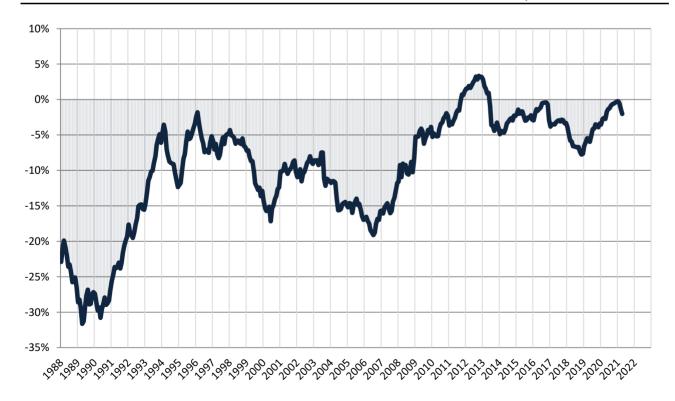
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Cash Investor Capitalization Rate: Irvine since January 1988



Financed Investor Cash-on-Cash Return: Irvine since January 1988



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Resale Market Value and Trends

Market Performance and Trends: Irvine and Major Cities and Zips

Church Avec		Median Resale \$		Resale %	Resale	Ś/SF	Rent % Change YoY	1edian Rent S	ost of	vnership em./Disc.	Cap Rate
Study Area Irvine	\$	967,000		-0.6%	\$	475	4.2%	\$ 3,857	\$ 3,935	\$ 78	3.8%.
Los Angeles-Long Beach-Anaheim,	\$	774,500	A	1.3%	\$	439	2.5%	\$ 3,125	\$ 3,152	\$ 27	3.9%.
Orange County	\$	846,600	A	1.5%	\$	437	3.1%	\$ 3,438	\$ 3,445	\$ 8	3.9%.
Anaheim	\$	721,200	1	2.4%	\$	403	1 2.6%	\$ 3,047	\$ 2,935	\$ (112)	4.1%.
Santa Ana	\$	654,700	1	2.8%	\$	429	1 3.5%	\$ 3,019	\$ 2,664	\$ (354)	4.4%.
Northwood	\$:	1,009,400	A	0.1%	\$	461	2.0%	\$ 3,623	\$ 4,108	\$ 485	3.4%.
Northwood Point	\$ 2	1,237,800	Ψ	-1.0%	\$	475	2.1%	\$ 4,329	\$ 5,037	\$ 708	3.4%.
92602	\$:	L,156,300	Ψ	-0.1%	\$	452	1 3.8%	\$ 4,188	\$ 4,706	\$ 518	3.5%.
92603	\$:	L,377,400	Ψ	-3.5%	\$	553	4.8%	\$ 6,979	\$ 5,605	\$ (1,374)	4.9%.
92604	\$	890,600	Ψ	-0.9%	\$	473	f 5.0%	\$ 3,668	\$ 3,624	\$ (44)	4.0%.
92606	\$	933,100	Ψ	-0.6%	\$	464	f 5.0%	\$ 3,887	\$ 3,797	\$ (90)	4.0%.
92612	\$	790,100	A	0.6%	\$	502	1 3.6%	\$ 3,590	\$ 3,215	\$ (374)	4.4%.
92614	\$	810,400	Ψ	-1.7%	\$	477	4 .9%	\$ 3,844	\$ 3,298	\$ (546)	4.6%.
92618	\$	989,200	Ψ	-0.1%	\$	476	2 8.5%	\$ 4,689	\$ 4,026	\$ (663)	4.6%.
92620	\$:	1,057,500	A	0.0%	\$	472	4.8%	\$ 4,101	\$ 4,304	\$ 202	3.7%.
Stanton	\$	608,600	1	2.5%	\$	404	3.1%	\$ 2,826	\$ 2,477	\$ (349)	4.5%.
Huntington Beach	\$	983,700	A	1.6%	\$	513	1 3.0%	\$ 3,659	\$ 4,003	\$ 344	3.6%.
Garden Grove	\$	740,100	1	2.5%	\$	437	1 3.9%	\$ 3,071	\$ 3,012	\$ (60)	4.0%.
Orange	\$	820,200	A	1.1%	\$	405	1 2.9%	\$ 3,348	\$ 3,338	\$ (11)	3.9%.
Fountain Valley	\$	957,000	A	1.7%	\$	433	2.5%	\$ 3,502	\$ 3,895	\$ 392	3.5%.

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Resale Market Value and Trends

Market Timing Rating and Valuations: Irvine and Major Cities and Zips

Study Area	Rating	Median	Rental Parity	% Over/Under Rental Parity	Historic Premium	% Over/Under Historic Prem.
Irvine	7	\$ 967,000	\$ 947,700	▶ 2.1%	9.2%	 ► -7.1%
Los Angeles-Long Beach-Ana	1 8	\$ 774,500	\$ 767,800	▶ 3.8%	-2.3%	6.1%
Orange County	A 6	\$ 846,600	\$ 844,700	▶ 0.2%	1.9%	 ▶ -1.7%
Anaheim	1 8	\$ 721,200	\$ 748,600	 -3.7%	-6.2%	▶ 2.5%
Santa Ana	1 8	\$ 654,700	\$ 741,700	 ►-11.7%	-11.9%	№ 0.2%
Northwood	≥ 4	\$ 1,009,400	\$ 890,200	13.4%	16.2%	 ▶ -2.8%
Northwood Point	7 7	\$ 1,237,800	\$ 1,063,700	1 6.4%	29.4%	13.0%
92602	a 6	\$ 1,156,300	\$ 1,029,000	12.3%	13.6%	⊳ -1.3%
92603	1 9	\$ 1,377,400	\$ 1,714,900	19.7%	3.1%	22.8%
92604	7 7	\$ 890,600	\$ 901,300	⊳ -1.2%	10.2%	 ►-11.4%
92606	1 8	\$ 933,100	\$ 955,100	 -2.3%	14.7%	17.0%
92612	7	\$ 790,100	\$ 882,000	 ►-10.4%	0.3%	 ►-10.7%
92614	7	\$ 810,400	\$ 944,600	-14.2%	-4.3%	 ► -9.9%
92618	A 6	\$ 989,200	\$ 1,152,100	-14.1%	-1.7%	12.4%
92620	7	\$ 1,057,500	\$ 1,007,800	▶ 5.0%	14.4%	 ▶ -9.4%
Stanton	1 8	\$ 608,600	\$ 694,400	12.4%	-15.2%	 ▶ 2.8%
Huntington Beach	A 6	\$ 983,700	\$ 899,100	9.4%	12.3%	⊳ -2.9%
Garden Grove	1 8	\$ 740,100	\$ 754,700	-1.9%	-5.6%	▶ 3.7%
Orange	A 6	\$ 820,200	\$ 822,700	 ▶ -0.3%	0.5%	⊳ -0.8%
Fountain Valley	A 6	\$ 957,000	\$ 860,600	11.2%	12.1%	 -0.9%

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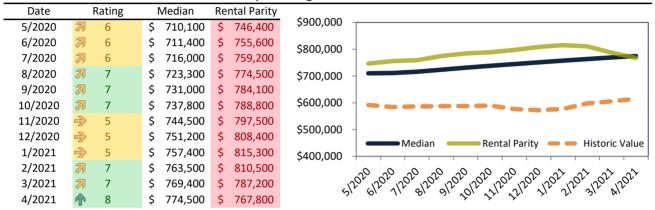
Los Angeles-Long Beach-Anaheim, CA Housing Market Value & Trends Update

Historically, properties in this market sell at a -2.3% discount. Today's premium is 3.8%. This market is 6.1% overvalued. Median home price is \$774,500, and resale \$/SF is \$439/SF. Prices rose 1.3% year-over-year.

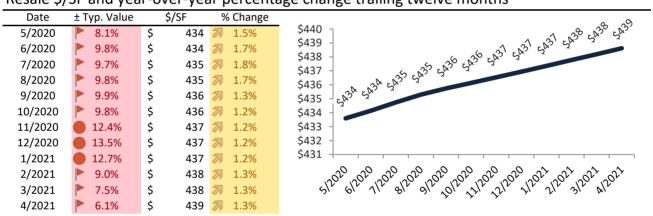
Monthly cost of ownership is \$3,151, and rents average \$3,124, making owning \$026 per month more costly than renting. Rents rose 2.5% year-over-year. The current capitalization rate (rent/price) is 4.3%.

Market rating = 8

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent	Own	
5/2020	4.0%	\$ 3,057 \$	2,908	\$3,700 -
6/2020	1 3.7%	\$ 3,064 \$	2,884	53,200 - 53,06 53,06 53,07 53,07 53,08 53,0
7/2020	1.4%	\$ 3,070 \$	2,895	53 300 Pro
8/2020	1 2.9%	\$ 3,077 \$	2,873	\$3,200 8 3 3 3 3 7 7 1
9/2020	1 2.5%	\$ 3,083 \$	2,874	
10/2020	1 2.0%	\$ 3,090 \$	2,890	\$2,700 -
11/2020	1.7%	\$ 3,096 \$	2,890	
12/2020	1.7%	\$ 3,102 \$	2,882	Rent Own Historic Cost to Own Relative to Rent
1/2021	1.8%	\$ 3,108 \$	2,887	\$2,200
2/2021	1 2.1%	\$ 3,113 \$	2,933	512020 112020 912020 112020 112022 312022
3/2021	1 2.3%	\$ 3,119 \$	3,048	512020 112020 912020 112020 112022 312022
4/2021	2.5%	\$ 3,125 \$	3,152	y

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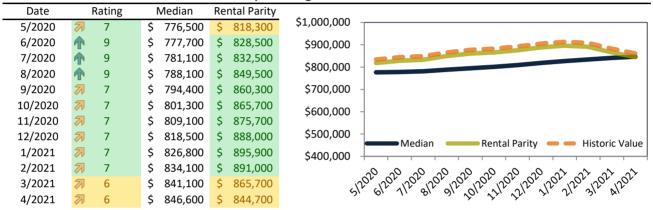
Orange County Housing Market Value & Trends Update

Historically, properties in this market sell at a 1.9% premium. Today's premium is 0.2%. This market is 1.7% undervalued. Median home price is \$846,600, and resale \$/SF is \$437/SF. Prices rose 1.5% year-over-year.

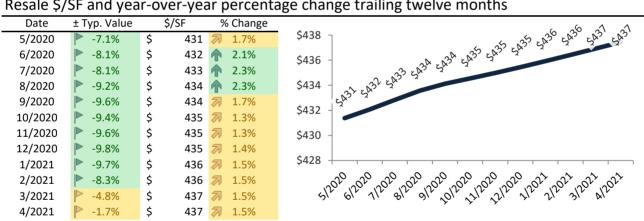
Monthly cost of ownership is \$3,445, and rents average \$3,437, making owning \$007 per month more costly than renting. Rents rose 3.1% year-over-year. The current capitalization rate (rent/price) is 3.9%.

Market rating = 6

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

		-	-	_		
Date	%	Change	Rent	Own	3,800 7 55 55 56 55 55	\$ 8 5 5 5 6 8 8
5/2020	1	3.7%	\$ 3,351	\$ 3,180	3,800 J. 45, 45, 45, 45, 45, 45, 45, 45, 45, 45,	30 33 34 34 34 35 35 35 35 35 35 35 35 35 35 35 35 35
6/2020	1	3.5%	\$ 3,359	\$ 3,153	3,300	7 7 7 7
7/2020	1	3.4%	\$ 3,367	\$ 3,159	5,300	
8/2020	1	3.4%	\$ 3,375	\$ 3,131		
9/2020	1	3.3%	\$ 3,383	\$ 3,123	2,800 -	
10/2020	1	3.3%	\$ 3,391	\$ 3,138		
11/2020	1	3.3%	\$ 3,399	\$ 3,140	2,300 -	
12/2020	1	3.2%	\$ 3,407	\$ 3,140	Rent Own	Historic Cost to Own Relative to Rent
1/2021	1	3.2%	\$ 3,415	\$ 3,151	1,800 +	
2/2021	1	3.2%	\$ 3,423	\$ 3,204	20 20 20	20 25 25
3/2021	1	3.1%	\$ 3,430	\$ 3,333	41220 11220 A1220	those those short
4/2021		3.1%	\$ 3,438	\$ 3,445	•	y

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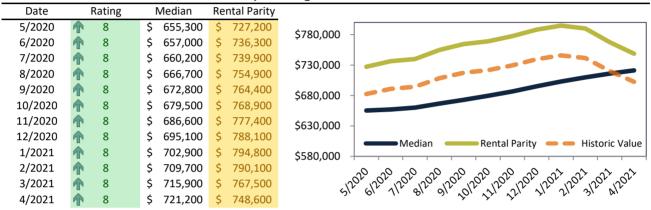
Anaheim Housing Market Value & Trends Update

Historically, properties in this market sell at a -6.2% discount. Today's discount is 3.7%. This market is 2.5% overvalued. Median home price is \$721,200, and resale \$/SF is \$403/SF. Prices rose 2.4% year-over-year.

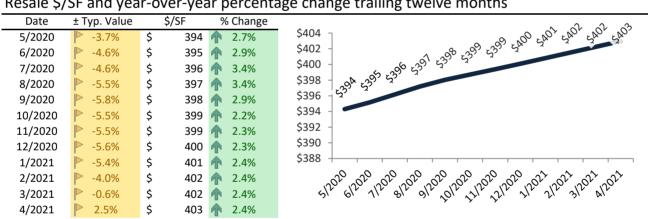
Monthly cost of ownership is \$2,934, and rents average \$3,046, making owning \$111 per month less costly than renting. Rents rose 2.6% year-over-year. The current capitalization rate (rent/price) is 4.1%.

Market rating = 8

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

		•		•	•	-	• •
Date	% Cha	nge	Re	ent		Own	\$3,200 7 4 45 40 40 50 50 50 50 50 50 50 50 50 50 50 50
5/2020	3.19	%	\$	2,978	\$	2,684	\$3,200] 3,36 3,85 3,59 3,08 3,06 3,07 3,08 3,08 3,08 3,08 3,08 3,08 3,08 3,08
6/2020	3.1 9	%	\$	2,985	\$	2,664	\$3,000 -
7/2020	3.19	%	\$	2,992	\$	2,670	\$3,000
8/2020	3.19	%	\$	2,999	\$	2,648	40.000
9/2020	3.09	%	\$	3,005	\$	2,645	\$2,800 -
10/2020	1 2.99	%	\$	3,012	\$	2,661	
11/2020	1 2.99	%	\$	3,018	\$	2,665	\$2,600 -
12/2020	1 2.89	%	\$	3,024	\$	2,667	Rent Own Historic Cost to Own Relative to Rent
1/2021	1 2.79	%	\$	3,029	\$	2,679	\$2,400
2/2021	1 2.79	%	\$	3,035	\$	2,726	those those show state short those
3/2021	1 2.79	%	\$	3,041	\$	2,837	stage trace stage strate trace stage
4/2021	2.69	%	\$	3,047	\$	2,935	Y

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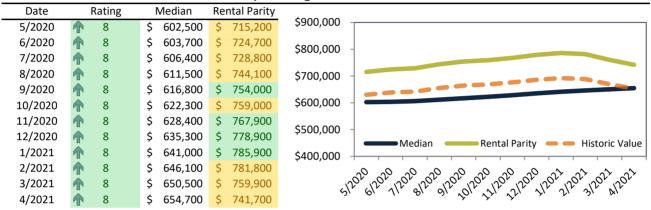
Santa Ana Housing Market Value & Trends Update

Historically, properties in this market sell at a -11.9% discount. Today's discount is 11.7%. This market is 0.2% overvalued. Median home price is \$654,700, and resale \$/SF is \$429/SF. Prices rose 2.8% year-over-year.

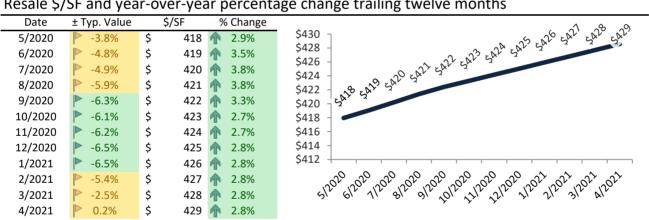
Monthly cost of ownership is \$2,664, and rents average \$3,018, making owning \$354 per month less costly than renting. Rents rose 3.5% year-over-year. The current capitalization rate (rent/price) is 4.4%.

Market rating = 8

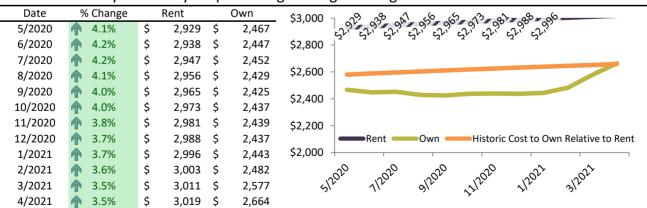
Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months



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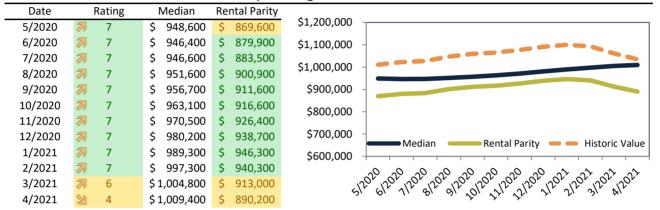
Northwood Housing Market Value & Trends Update

Historically, properties in this market sell at a 16.2% premium. Today's premium is 13.4%. This market is 2.8% undervalued. Median home price is \$1,009,400, and resale \$/SF is \$461/SF. Prices rose 0.1% year-over-year.

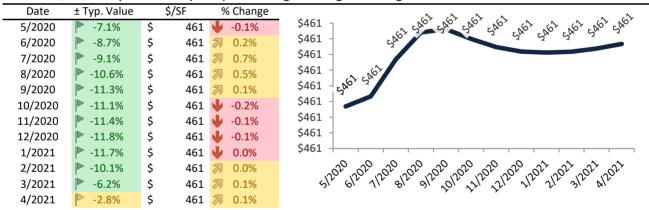
Monthly cost of ownership is \$4,107, and rents average \$3,622, making owning \$485 per month more costly than renting. Rents rose 2.0% year-over-year. The current capitalization rate (rent/price) is 3.4%.

Market rating = 4

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent	Own	\$4,400 ¬
5/2020	2.3%	\$ 3,562 \$	3,885	
6/2020	2.3%	\$ 3,567 \$	3,837	\$4,200
7/2020	1 2.2%	\$ 3,573 \$	3,828	\$4,000 - 22 23 23 25 25 25 25 25 25 25 25
8/2020	1 2.2%	\$ 3,579 \$	3,780	\$3,800 33,50 33,50 33,50 33,50 30,50
9/2020	1 2.2%	\$ 3,585 \$	3,762	\$3,600
10/2020	1 2.2%	\$ 3,590 \$	3,772	\$3,400
11/2020	2.1%	\$ 3,596 \$	3,767	
12/2020	2.1%	\$ 3,601 \$	3,760	\$3,200 - Rent Own Historic Cost to Own Relative to Rent
1/2021	2.1%	\$ 3,607 \$	3,771	\$3,000
2/2021	2.1%	\$ 3,612 \$	3,831	51200 11200 91200 11200 11200 31200
3/2021	1 2.0%	\$ 3,618 \$	3,981	51220 11220 91220 July 11222 31222
4/2021	2.0%	\$ 3,623 \$	4,108	Y

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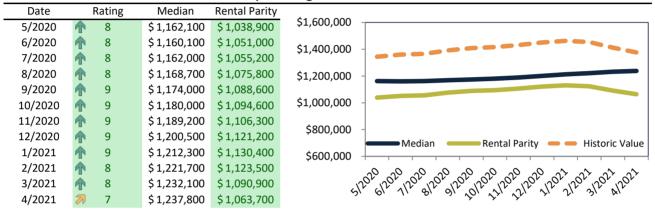
Northwood Point Housing Market Value & Trends Update

Historically, properties in this market sell at a 29.4% premium. Today's premium is 16.4%. This market is 13.0% undervalued. Median home price is \$1,237,800, and resale \$/SF is \$475/SF. Prices fell 1.0% year-over-year.

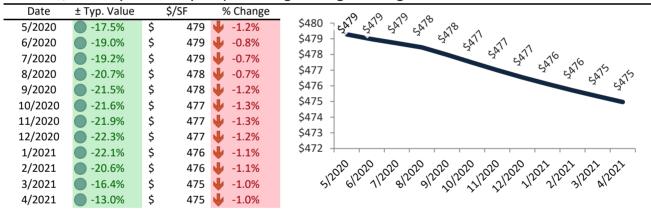
Monthly cost of ownership is \$5,037, and rents average \$4,328, making owning \$708 per month more costly than renting. Rents rose 2.1% year-over-year. The current capitalization rate (rent/price) is 3.4%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent	Own	\$6,000 ¬
5/2020	2.4%	\$ 4,255	4,759	40)000
6/2020	1 2.3%	\$ 4,261 \$	4,703	\$5,500 -
7/2020	1 2.2%	\$ 4,267	4,699	
8/2020	1 2.2%	\$ 4,274 \$	4,642	\$5,000 - 55 56 56 50 50 50 50 50 50 50 50 50 50
9/2020	1 2.1%	\$ 4,280 \$	4,616	\$4,500 - 54,76
10/2020	1 2.1%	\$ 4,287	4,622	34,300
11/2020	1 2.2%	\$ 4,294 \$	4,616	\$4,000 -
12/2020	1 2.2%	\$ 4,302	4,606	Rent Own Historic Cost to Own Relative to Rent
1/2021	1 2.2%	\$ 4,309	4,621	\$3,500
2/2021	1 2.2%	\$ 4,316	4,693	512020 11200 91220 11200 11202 312022
3/2021	1 2.1%	\$ 4,323	4,882	51220 11220 91220 1,11220 1,1222 31222
4/2021	2.1%	\$ 4,329 \$	5,037	y

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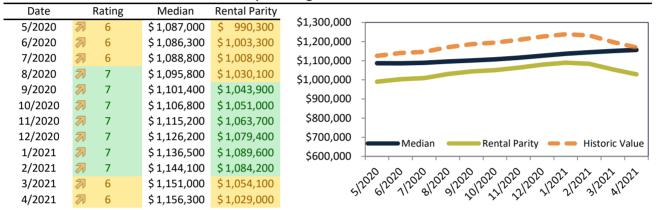


Historically, properties in this market sell at a 13.6% premium. Today's premium is 12.3%. This market is 1.3% undervalued. Median home price is \$1,156,300, and resale \$/SF is \$452/SF. Prices fell 0.1% year-over-year.

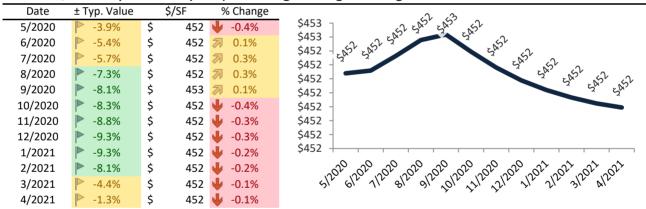
Monthly cost of ownership is \$4,705, and rents average \$4,187, making owning \$517 per month more costly than renting. Rents rose 3.8% year-over-year. The current capitalization rate (rent/price) is 3.5%.

Market rating = 6

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months



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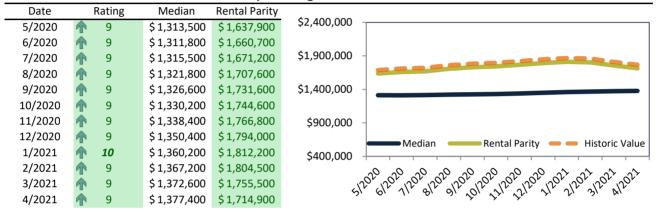


Historically, properties in this market sell at a 3.1% premium. Today's discount is 19.7%. This market is 22.8% undervalued. Median home price is \$1,377,400, and resale \$/SF is \$553/SF. Prices fell 3.5% year-over-year.

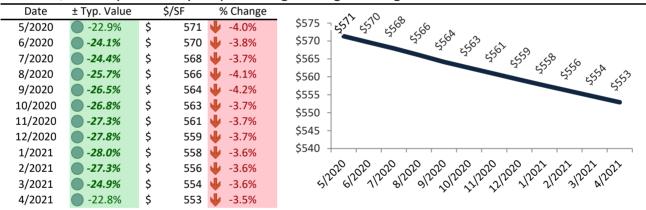
Monthly cost of ownership is \$5,605, and rents average \$6,978, making owning \$1373 per month less costly than renting. Rents rose 4.8% year-over-year. The current capitalization rate (rent/price) is 4.9%.

Market rating = 9

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

		•	•	•	-		_				
Date	% (Change	Rent		Own	\$8,000 ¬				. 21	2, 6, 49
5/2020	1	5.8%	\$ 6,708	\$	5,379	φο,σσσ	10° 40' 40'	¹ રહ્યું કહ્યું કહ્યું	_{છે.} જેરું જેરું		20, 20, 20, 20, 20, 20, 20, 20, 20, 20,
6/2020	1	5.6%	\$ 6,733	\$	5,318	\$7,000	۱۰, کې, کې	، کې کې	20, 20,	ζο. ζ _ο	کے کے ع
7/2020	1	5.5%	\$ 6,758	\$	5,320	\$7,000					
8/2020	1	5.4%	\$ 6,783	\$	5,251	46.000					
9/2020	1	5.3%	\$ 6,808	\$	5,216	\$6,000					
10/2020	1	5.2%	\$ 6,833	\$	5,210						
11/2020	1	5.1%	\$ 6,858	\$	5,195	\$5,000 -					
12/2020	1	5.1%	\$ 6,883	\$	5,181	-	Rent =	Own =	Historic	Cost to Ow	n Relative to Rent
1/2021	1	5.0%	\$ 6,907	\$	5,184	\$4,000 +		1	I	T	
2/2021	1	5.0%	\$ 6,932	\$	5,252	S	1/2020	, %	20	12022	22
3/2021	1	4.9%	\$ 6,956	\$	5,438	SIZOZ	1/25	9/2020	21/2020	7/50	3/2022
4/2021	1	4.8%	\$ 6,979	\$	5,605				Y		

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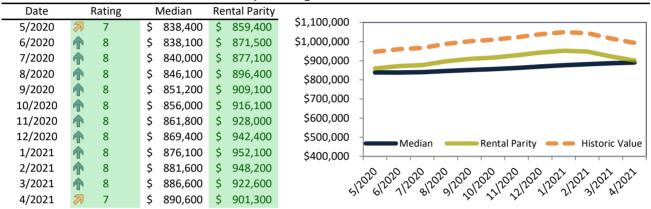


Historically, properties in this market sell at a 10.2% premium. Today's discount is 1.2%. This market is 11.4% undervalued. Median home price is \$890,600, and resale \$/SF is \$473/SF. Prices fell 0.9% year-over-year.

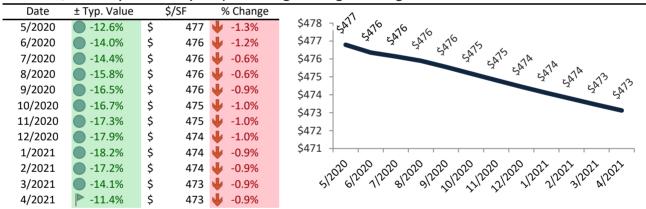
Monthly cost of ownership is \$3,624, and rents average \$3,668, making owning \$043 per month less costly than renting. Rents rose 5.0% year-over-year. The current capitalization rate (rent/price) is 4.0%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

	,	,	 	
Date	% Change	Rent	Own	- \$4,300 ¬
5/2020	6.1%	\$ 3,520	\$ 3,434	53,800 35 45 53 54 45 55 55 55 55 55 55 55 55 55 55 55
6/2020	5.8%	\$ 3,533	\$ 3,398	\$3,800 \\ \frac{2}{3}, \text{eq}, \text{eq}, \text{eq}, \text{eq}, \text{eq}, \text{eq}, \text{eq}, \text{eq}, \text{eq}, \text{eq}, \text{eq},
7/2020	5.7%	\$ 3,547	\$ 3,397	
8/2020	5.6%	\$ 3,561	\$ 3,361	\$3,300 -
9/2020	5.5%	\$ 3,575	\$ 3,347	\$2,800 -
10/2020	5.5%	\$ 3,588	\$ 3,353	\$2,600
11/2020	5.4%	\$ 3,602	\$ 3,345	\$2,300
12/2020	5.3%	\$ 3,616	\$ 3,335	Rent Own Historic Cost to Own Relative to Rent
1/2021	5.3%	\$ 3,629	\$ 3,339	\$1,800
2/2021	5.2%	\$ 3,642	\$ 3,387	3/2020 1/2020 3/2020 3/2020 3/2020 3/2020
3/2021	5.1%	\$ 3,655	\$ 3,513	51200 11200 91200 JUDO 11200 31200
4/2021	5.0%	\$ 3,668	\$ 3,624	Y

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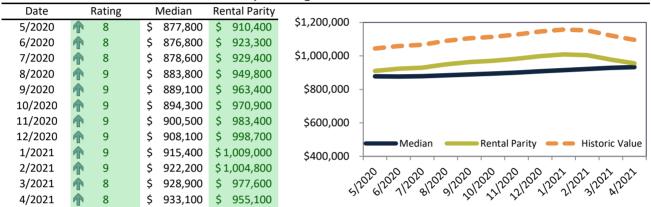


Historically, properties in this market sell at a 14.7% premium. Today's discount is 2.3%. This market is 17.0% undervalued. Median home price is \$933,100, and resale \$/SF is \$464/SF. Prices fell 0.6% year-over-year.

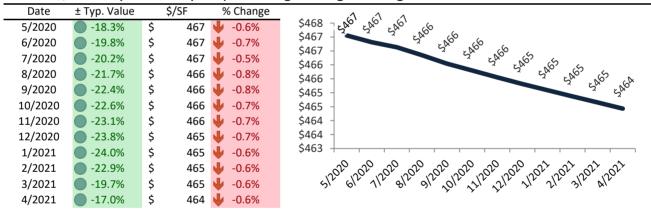
Monthly cost of ownership is \$3,797, and rents average \$3,887, making owning \$089 per month less costly than renting. Rents rose 5.0% year-over-year. The current capitalization rate (rent/price) is 4.0%.

Market rating = 8

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Data	% Change	Rent	Own	0
Date	% Change	rent	OWII	. \$4,800 ¬
5/2020	6.0%	\$ 3,729	3,595	29 1/2 1/3 1/3 2/3 2/3 2/3 2/3 2/3 2/3 2/3 2/3 2/3 2
6/2020	5.8%	\$ 3,744	3,555	\$4,300 - 3,10 3,10 3,10 3,10 3,10 3,10 3,00 3,00
7/2020	1 5.8%	\$ 3,758	3,553	\$3,800
8/2020	5.7%	\$ 3,773	3,511	
9/2020	1 5.6%	\$ 3,788	3,496	\$3,300 -
10/2020	5.5%	\$ 3,803	3,503	\$2,800 -
11/2020	5.4%	\$ 3,817	3,495	\$2,300 -
12/2020	1 5.4%	\$ 3,832	3,484	Rent Own Historic Cost to Own Relative to Rent
1/2021	5.3%	\$ 3,846	3,489	\$1,800
2/2021	5.2%	\$ 3,860	3,542	3/2020 1/2020 3/2020 1/2020 1/2020 3/2020
3/2021	5.1%	\$ 3,874	3,680	51220 11220 91220 JUDO 11202 31202
4/2021	5.0%	\$ 3,887	3,797	Y

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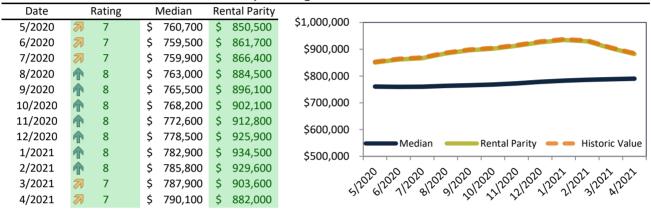


Historically, properties in this market sell at a 0.3% premium. Today's discount is 10.4%. This market is 10.7% undervalued. Median home price is \$790,100, and resale \$/SF is \$502/SF. Prices rose 0.6% year-over-year.

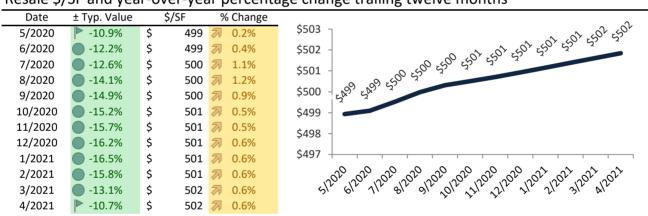
Monthly cost of ownership is \$3,215, and rents average \$3,589, making owning \$374 per month less costly than renting. Rents rose 3.6% year-over-year. The current capitalization rate (rent/price) is 4.4%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

	•	•	•	
Date	% Change	Rent	Own	\$3,700 7 63 63 64 64 64 64 64 64 64 64 64 64 64 64 64
5/2020	4.2%	\$ 3,483	\$ 3,115	\(\ta\)\(
6/2020	4.1%	\$ 3,493	\$ 3,079	\$3,200 - 3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3, 3,
7/2020	4.1%	\$ 3,504	\$ 3,073	\$3,300 -
8/2020	4.0%	\$ 3,514	\$ 3,031	
9/2020	4.0%	\$ 3,524	\$ 3,010	\$3,100 -
10/2020	1.9%	\$ 3,533	\$ 3,009	\$2,900 -
11/2020	3.8%	\$ 3,543	\$ 2,999	¢3.700
12/2020	3.8%	\$ 3,552	\$ 2,987	\$2,700 - Rent Own Historic Cost to Own Relative to Rent
1/2021	1 3.7%	\$ 3,562	\$ 2,984	\$2,500
2/2021	3.7%	\$ 3,571	\$ 3,019	
3/2021	3.6%	\$ 3,580	\$ 3,122	51200 11200 91200 11200 11201 31201
4/2021	3.6%	\$ 3,590	\$ 3,215	· · · · · · · · · · · · · · · · · · ·

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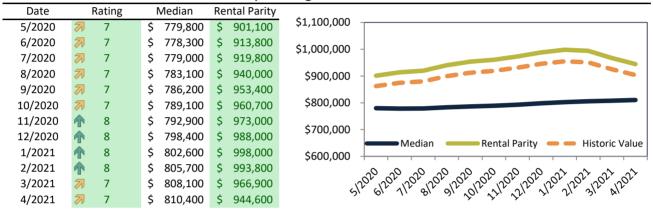


Historically, properties in this market sell at a -4.3% discount. Today's discount is 14.2%. This market is 9.9% undervalued. Median home price is \$810,400, and resale \$/SF is \$477/SF. Prices fell 1.7% year-over-year.

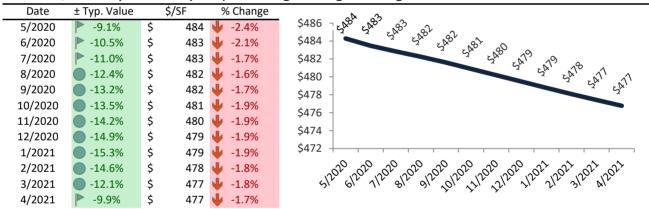
Monthly cost of ownership is \$3,297, and rents average \$3,844, making owning \$546 per month less costly than renting. Rents rose 4.9% year-over-year. The current capitalization rate (rent/price) is 4.6%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent		Own	\$4,000 7 69 65 65 65 65 65 65 65
5/2020	5.9%	\$ 3,6	90 \$	3,194	\$4,000 30 30 30 30 30 30 30 30 30 30 30 30
6/2020	5.8%	\$ 3,7	05 \$	3,155	
7/2020	5.7%	\$ 3,7	20 \$	3,150	\$3,500 -
8/2020	5.6%	\$ 3,7	34 \$	3,111	
9/2020	5.5%	\$ 3,7	49 \$	3,091	
10/2020	5.4%	\$ 3,7	63 \$	3,091	\$3,000 -
11/2020	5.3%	\$ 3,7	77 \$	3,078	
12/2020	5.2%	\$ 3,7	90 \$	3,063	Rent Own Historic Cost to Own Relative to Rent
1/2021	5.2%	\$ 3,8	304 \$	3,059	\$2,500
2/2021	5.1%	\$ 3,8	18 \$	3,095	20 20 20 20 2 ²
3/2021	5.0%	\$ 3,8	31 \$	3,202	512020 112020 912020 3112020 312022 312022
4/2021	4.9%	\$ 3,8	344 \$	3,298	Y

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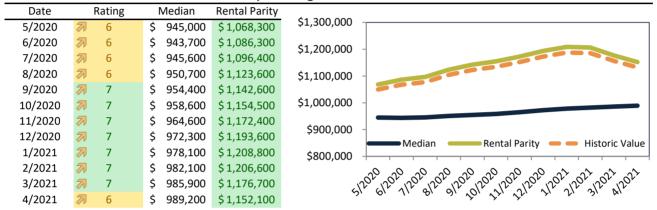


Historically, properties in this market sell at a -1.7% discount. Today's discount is 14.1%. This market is 12.4% undervalued. Median home price is \$989,200, and resale \$/SF is \$476/SF. Prices fell 0.1% year-over-year.

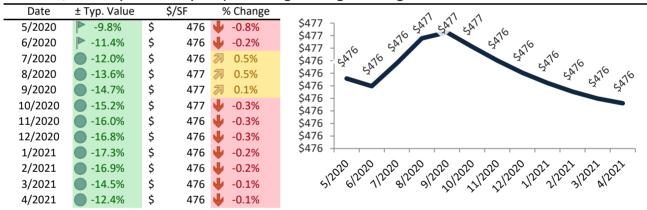
Monthly cost of ownership is \$4,025, and rents average \$4,688, making owning \$663 per month less costly than renting. Rents rose 8.5% year-over-year. The current capitalization rate (rent/price) is 4.6%.

Market rating = 6

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

	· · · · · · · · · · · · · · · · · · ·	,			<u> </u>
Date	% Change	Rent		Own	- \$4,800
5/2020	2 10.6%	\$ 4,3	75 \$	3,870	the cool of his take the take
6/2020	2 10.3%	\$ 4,40)4 \$	3,826	
7/2020	2 10.1%	\$ 4,43	34 \$	3,824	\$4,400 -
8/2020	9.9%	\$ 4,40	53 \$	3,776	\$4,200 -
9/2020	9.8%	\$ 4,49	93 \$	3,752	\$4,000 -
10/2020	9.6%	\$ 4,5	22 \$	3,754	\$3,800 -
11/2020	9.5%	\$ 4,5	51 \$	3,744	
12/2020	9.3%	\$ 4,5	79 \$	3,730	\$3,600 - Rent Own Historic Cost to Own Relative to Rent
1/2021	9.1%	\$ 4,60	08 \$	3,728	\$3,400
2/2021	2 8.9%	\$ 4,63	35 \$	3,773	was the state of the state of the state
3/2021	2 8.8%	\$ 4,60	52 \$	3,906	51220 11220 91220 J1220 J1222 31222
4/2021	2 8.5%	\$ 4,68	39 \$	4,026	· · · · · · · · · · · · · · · · · · ·

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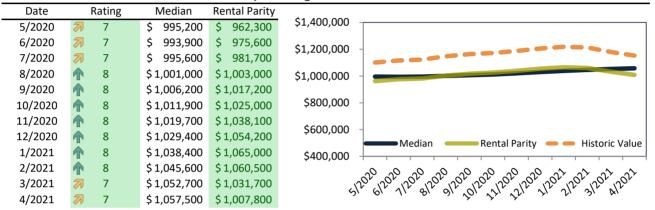


Historically, properties in this market sell at a 14.4% premium. Today's premium is 5.0%. This market is 9.4% undervalued. Median home price is \$1,057,500, and resale \$/SF is \$472/SF. Prices rose 0.0% year-over-year.

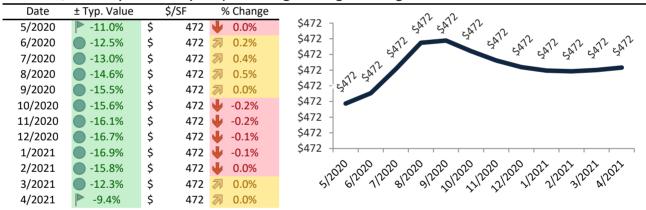
Monthly cost of ownership is \$4,303, and rents average \$4,101, making owning \$202 per month more costly than renting. Rents rose 4.8% year-over-year. The current capitalization rate (rent/price) is 3.7%.

Market rating = 7

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

Date	% Change	Rent	Own	\$5,300 ¬
5/2020	5.8%	\$ 3,941 \$	4,076	\$4,000 \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
6/2020	5.5%	\$ 3,955 \$	4,029	\$4,800 - 53,955 53,50 53,855 53,855 54,055 5
7/2020	1 5.4%	\$ 3,970 \$	4,026	\$4,300 82, 83, 83, 83, 83, 83, 83, 83, 83, 83, 83
8/2020	5.3%	\$ 3,985 \$	3,976	\$3,800 -
9/2020	1 5.3%	\$ 3,999 \$	3,956	\$3,300 -
10/2020	5.3%	\$ 4,015 \$	3,963	\$2,800 -
11/2020	5.2%	\$ 4,030 \$	3,958	
12/2020	1 5.2%	\$ 4,045 \$	3,949	\$2,300 - Rent Own Historic Cost to Own Relative to Rent
1/2021	5.1%	\$ 4,059 \$	3,958	\$1,800
2/2021	5.0%	\$ 4,074 \$	4,017	37220 17220 37220 17220 17221 37221
3/2021	4.9%	\$ 4,088 \$	4,171	512020 112020 912020 111200 112022 312022
4/2021	4.8%	\$ 4,101 \$	4,304	y

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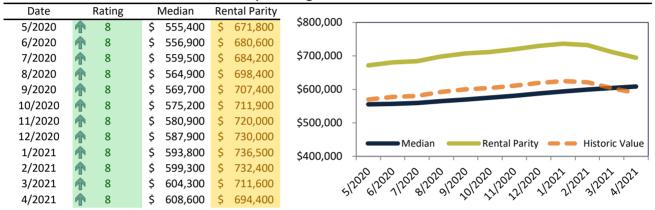
Stanton Housing Market Value & Trends Update

Historically, properties in this market sell at a -15.2% discount. Today's discount is 12.4%. This market is 2.8% overvalued. Median home price is \$608,600, and resale \$/SF is \$404/SF. Prices rose 2.5% year-over-year.

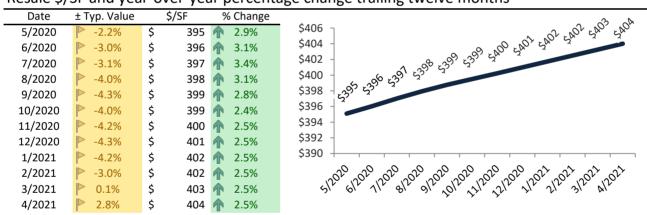
Monthly cost of ownership is \$2,476, and rents average \$2,826, making owning \$349 per month less costly than renting. Rents rose 3.1% year-over-year. The current capitalization rate (rent/price) is 4.5%.

Market rating = 8

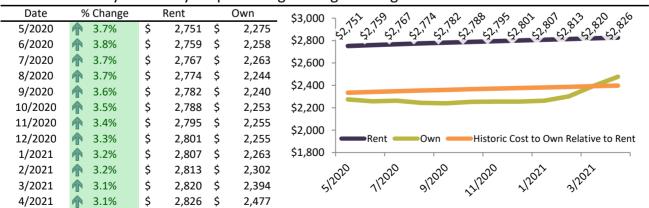
Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months



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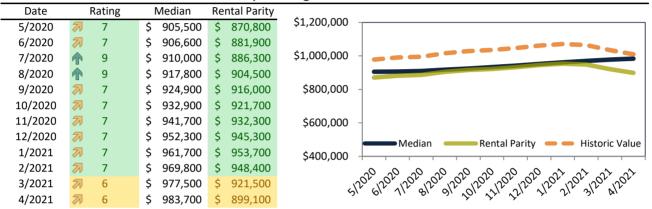
Huntington Beach Housing Market Value & Trends Update

Historically, properties in this market sell at a 12.3% premium. Today's premium is 9.4%. This market is 2.9% undervalued. Median home price is \$983,700, and resale \$/SF is \$513/SF. Prices rose 1.6% year-over-year.

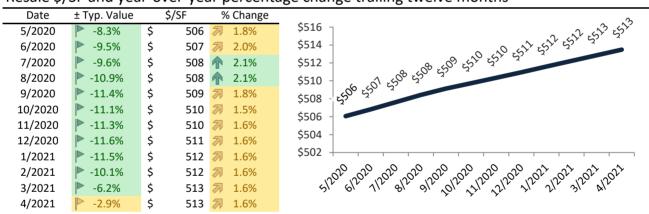
Monthly cost of ownership is \$4,003, and rents average \$3,658, making owning \$344 per month more costly than renting. Rents rose 3.0% year-over-year. The current capitalization rate (rent/price) is 3.6%.

Market rating = 6

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

	,	,		
Date	% Change	Rent	Own	\$4,200 ¬
5/2020	3.6%	\$ 3,567	\$ 3,708	
6/2020	3.5%	\$ 3,576	\$ 3,675	\$4,000
7/2020	1 3.5%	\$ 3,584	\$ 3,680	\$3,800 43,50 43,50 43,50 43,60
8/2020	3.4%	\$ 3,593	\$ 3,646	\$3,600 -
9/2020	1 3.4%	\$ 3,602	\$ 3,636	\$3,400 -
10/2020	1 3.3%	\$ 3,610	\$ 3,654	\$3,200 -
11/2020	3.3%	\$ 3,619	\$ 3,655	
12/2020	1 3.2%	\$ 3,627	\$ 3,653	\$3,000 - Rent Own Historic Cost to Own Relative to Rent
1/2021	3.2%	\$ 3,635	\$ 3,665	\$2,800
2/2021	3.1%	\$ 3,643	\$ 3,725	
3/2021	3.1%	\$ 3,651	\$ 3,873	31200 11200 91200 11120 11201 31201
4/2021	3.0%	\$ 3,659	\$ 4,003	y

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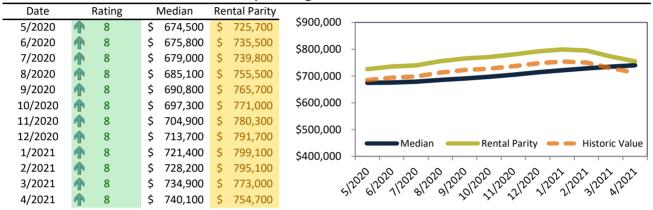
Garden Grove Housing Market Value & Trends Update

Historically, properties in this market sell at a -5.6% discount. Today's discount is 1.9%. This market is 3.7% overvalued. Median home price is \$740,100, and resale \$/SF is \$437/SF. Prices rose 2.5% year-over-year.

Monthly cost of ownership is \$3,011, and rents average \$3,071, making owning \$059 per month less costly than renting. Rents rose 3.9% year-over-year. The current capitalization rate (rent/price) is 4.0%.

Market rating = 8

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

	•		•	•		
Date	% Change	9	Rent		Own	\$3,200 7 20 20 20 20 20 20 20 20 20 20 20 20 20
5/2020	4.6%	\$	2,972	\$	2,762	
6/2020	4.6%	\$	2,982	\$	2,740	75,000
7/2020	4.5%	\$	2,992	\$	2,746	\$2,800 -
8/2020	4.5%	\$	3,001	\$	2,721	\$2,600 -
9/2020	4.4%	\$	3,011	\$	2,716	\$2,400 -
10/2020	4.3%	\$	3,020	\$	2,731	\$2,200 -
11/2020	4.2%	\$	3,029	\$	2,736	
12/2020	4.1%	\$	3,037	\$	2,738	\$2,000 - Rent Own Historic Cost to Own Relative to Rent
1/2021	4.1%	\$	3,046	\$	2,750	\$1,800
2/2021	4.0%	\$	3,055	\$	2,797	
3/2021	3.9%	\$	3,063	\$	2,912	312020 112020 312020 112020 112010 312010
4/2021	1.9%	\$	3,071	\$	3,012	Y

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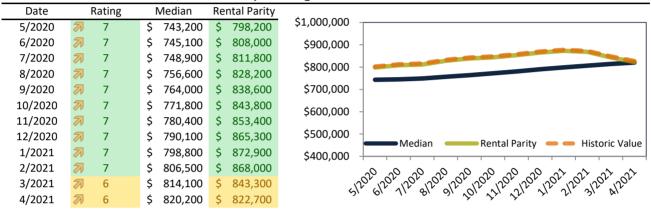


Historically, properties in this market sell at a 0.5% premium. Today's discount is 0.3%. This market is 0.8% undervalued. Median home price is \$820,200, and resale \$/SF is \$405/SF. Prices rose 1.1% year-over-year.

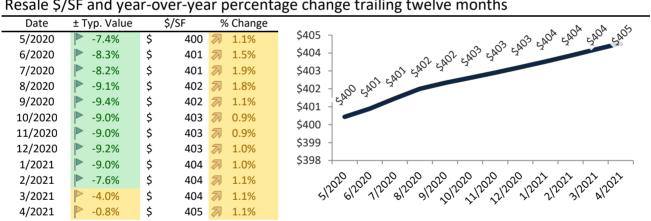
Monthly cost of ownership is \$3,337, and rents average \$3,348, making owning \$010 per month less costly than renting. Rents rose 2.9% year-over-year. The current capitalization rate (rent/price) is 3.9%.

Market rating = 6

Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months

	<u> </u>	<u> </u>		
Date	% Change	Rent	Own	\$3,800 ¬
5/2020	3.5%	\$ 3,269 \$	3,044	\$3,500 \ \text{3} \text{45} \text{3} \t
6/2020	3.3%	\$ 3,276 \$	3,021	\$3,600
7/2020	1 3.2%	\$ 3,283 \$	3,028	\$3,400 - 27 - 27 - 27 - 27 - 27 - 27 - 27 -
8/2020	3.1%	\$ 3,290 \$	3,005	\$3,200 -
9/2020	3.1%	\$ 3,297 \$	3,004	\$3,000 -
10/2020	3.1%	\$ 3,305 \$	3,023	\$2,800 -
11/2020	3.1%	\$ 3,312 \$	3,029	
12/2020	3.1%	\$ 3,320 \$	3,031	\$2,600 - Rent Own Historic Cost to Own Relative to Rent
1/2021	3.0%	\$ 3,327 \$	3,045	\$2,400
2/2021	3.0%	\$ 3,335 \$	3,098	(12020 112020 112020 112020 112020 112020
3/2021	3.0%	\$ 3,342 \$	3,226	31220 11220 31220 31220 31221 31221
4/2021	2.9%	\$ 3,348 \$	3,338	Y

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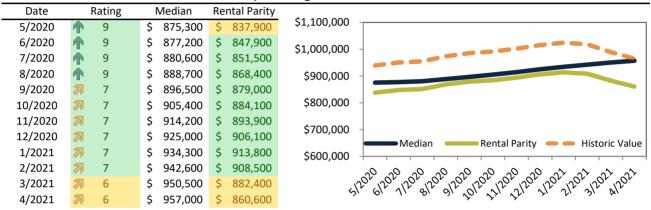
Fountain Valley Housing Market Value & Trends Update

Historically, properties in this market sell at a 12.1% premium. Today's premium is 11.2%. This market is 0.9% undervalued. Median home price is \$957,000, and resale \$/SF is \$433/SF. Prices rose 1.7% year-over-year.

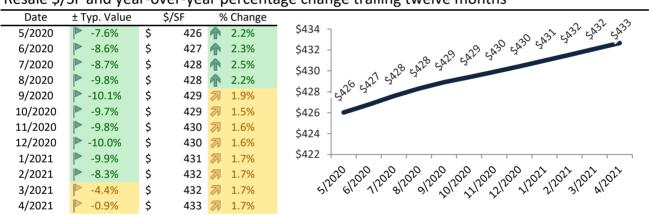
Monthly cost of ownership is \$3,894, and rents average \$3,502, making owning \$392 per month more costly than renting. Rents rose 2.5% year-over-year. The current capitalization rate (rent/price) is 3.5%.

Market rating = 6

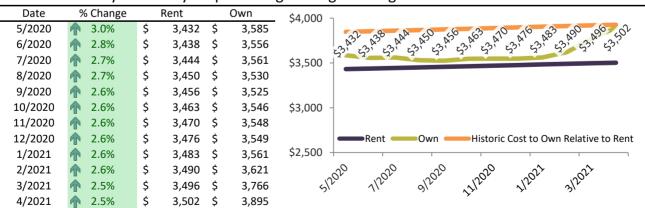
Median Home Price and Rental Parity trailing twelve months



Resale \$/SF and year-over-year percentage change trailing twelve months



Rental rate and year-over-year percentage change trailing twelve months



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TAIT Housing Report

TAIT housing report and newsletter provides a clear picture of the health of the housing market. Readers find the information on location, valuation, and price trends, timely and relevant to their decision to buy or sell real estate. The TAIT report answers the most important questions:

- (1) Where should I look for bargains?
- (2) Are current prices over or under valued?
- (3) What direction are prices headed, up or down?

The TAIT monthly market report has distilled the market down to three key pieces of information:

- (1) Resale value relative to rent,
- (2) Yearly change in resale prices, and
- (3) Yearly changes in rents.

The resale value relative to rent, or Rental Parity, is calculated by taking the median rent reported by Zillow and utilizing that value as a payment to calculate the size of the loan that payment would support. The result is the price someone could pay and their resulting cost of ownership (payment mostly) would equal the cost of renting; thus the name Rental Parity. The median is the raw median number provided by Zillow. The historic value is what the median "should" be based on the historic relationship between rental parity and the median during periods of market stability (1992-1998 and 2014-2017). This historic value is important because some areas trade below rental parity and some trade above based on how desirable the area is. Whenever the median is above the historic value, the market is overvalued, and whenever the median is below the historic value, it is undervalued. Without this benchmark, there is no way to determine if the current median is overvalued or undervalued. The addition of this benchmark is the key innovation of the TAIT Housing Report.

Using and Interpreting the TAIT Monthly Report

The table of contents on the front page of the TAIT monthly report organizes the reports by area. The typical page of an area report breaks down into four parts:

- (1) The news overview,
- (2) Median Home Price and Rental Parity trailing twelve months,
- (3) Resale \$/SF and year-over-year percentage change trailing twelve months,
- (4) Rental rate and year-over-year percentage change trailing twelve months.

NEWS OVERVIEW

The news overview provides concise descriptions of the facts and conditions in the market. The news overview measures the current premium or discount, compares it to the historic premium or discount, and states whether the market is currently overvalued or undervalued. This is an important measure of future financial performance.



Resale Market Value and Trends

Orange County Housing Market Value & Trends Update

Historically, properties in this market sell at a 1.9% premium. Today's discount is 0.7%. This market is 2.6% undervalued. Median home price is \$730,800, and resale \$/SF is \$429/SF. Prices rose 0.8% year-over-year.

Monthly cost of ownership is \$3,204, and rents average \$3,225, making owning \$020 per month less costly than renting. Rents rose 3.7% year-over-year. The current capitalization rate (rent/price) is 4.2%.

Market rating = 6

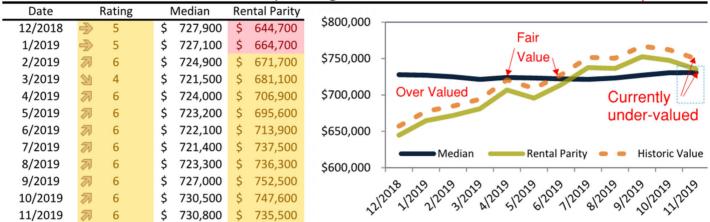


MEDIAN HOME PRICE AND RENTAL PARITY TRAILING TWELVE MONTHS

For those who want the bottom line without all the analysis and detail, the market rating is the first row of the first section of data. The rating encapsulates all the conditions of the market into one figure. A rating of 10 is good and a rating of 1 is bad. A highly rated property or market is a good financial buy.

Median Home Price and Rental Parity trailing twelve months

Premium Market Example



The chart displays three lines that reveal much about the market. The first two lines to note are the parallel green and orange lines, rental parity (green) and historic value (orange). As mentioned previously, some markets trade at a discount and some at a premium to rental parity. If the orange line (historic value) is above the green line (rental parity), the market is a premium market. If the orange line (historic value) is below the green line (rental parity), the market is a discount market. The larger the gap, the greater the premium or discount is.

The third line plotted against these two parallel lines is the median resale price for the area. This line reveals whether the market is currently trading at a premium or discount to rental parity and historic value. The more important of these relationships is between median resale price and historic value. Over time, the market has shown a tendency toward trading at historic value. If it trades above for a while, over time it will revert back to this value. That may happen either by an extended period of little or no appreciation or an outright decline in prices. If the market trades below its historic value, it's likely to see a rebound back to this value in the future.

Valuation is more important that price movement. The best markets trade at a discount to historic value.

RESALE \$/SF AND YEAR-OVER-YEAR PERCENTAGE CHANGE TRAILING TWELVE MONTHS

Since the historic value is so important, the first column in next section displays the premium or discount from historic value over the last year. The second column and the chart shows the dollars per square foot resale price in the market. The line on the chart visually shows the general direction of prices, and the third column shows the actual percentage change.

Resale \$/SF and year-over-year percentage change trailing twelve months

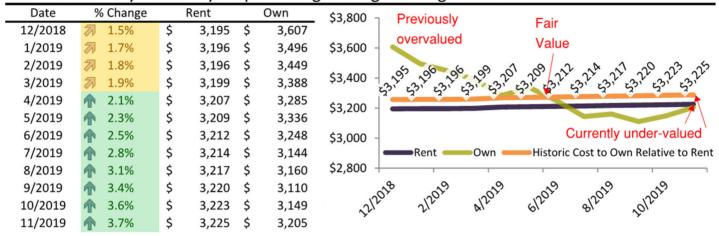
Date	± Typ. Value	\$/SF % Cha	ge
12/2018	11.0%	\$ 427 🏚 4.19	\$430 \$428 \\ \$
1/2019	7.5%	\$ 427 🏚 3.49	\$428 - 57 55 55
2/2019	▶ 6.0%	\$ 425 🏚 2.49	\$426 - \$426 - \$424 -
3/2019	▶ 4.0%	\$ 424 🔊 1.99	Sh shis shis sh
4/2019	▶ 0.5%	\$ 425 🔊 1.99	\$424 -
5/2019	▶ 2.0%	\$ 424 🔊 1.29	\$422 -
6/2019	-0.8%	\$ 423 🔊 0.59	\$420 -
7/2019	-4.1%	\$ 423 🔊 0.09	
8/2019	▶ -3.7%	\$ 424 🌵 -0.29	\$418
9/2019	-5.3%	\$ 427 🔊 0.59	1212013 12013 12013 12013 12013 12013 12013 112013 12013 12013 12013 12013 12013 12013 12013 12013 12013 12013
10/2019	▶ -4.2%	\$ 429 🔊 0.99	27/2 2/2 3/2 3/2 8/2 3/2 6/2 1/2 8/2 9/2 3/2 3/2
11/2019	▶ -2.6%	\$ 429 🔊 0.89	



RENTAL RATE AND YEAR-OVER YEAR PERCENTAGE CHANGE TRAILING TWELVE MONTHS

The final table and chart on the page is similar to the first grouping; it displays three lines, two of which are parallel and show current rent and the historic cost of ownership relative to rent, and the third line is the current cost of ownership. The relationships are similar, the charts will look similar, and the interpretations are the same.

Rental rate and year-over-year percentage change trailing twelve months

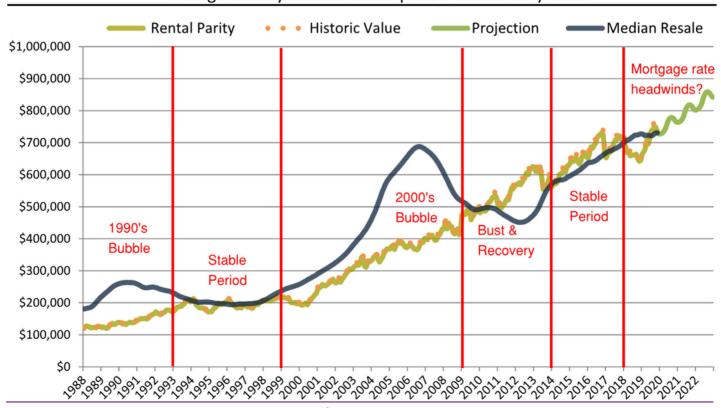


This method of looking at the data is more revealing to those who like to focus on monthly costs rather than purchase price. It reveals how affordable properties are relative to monthly rent, which is what rental parity analysis is all about. The first column of data shows the rate of rent growth over the last year, and the next two columns show the cost of renting and the cost of owning during the same period.

HISTORIC MARKET DATA CHARTS

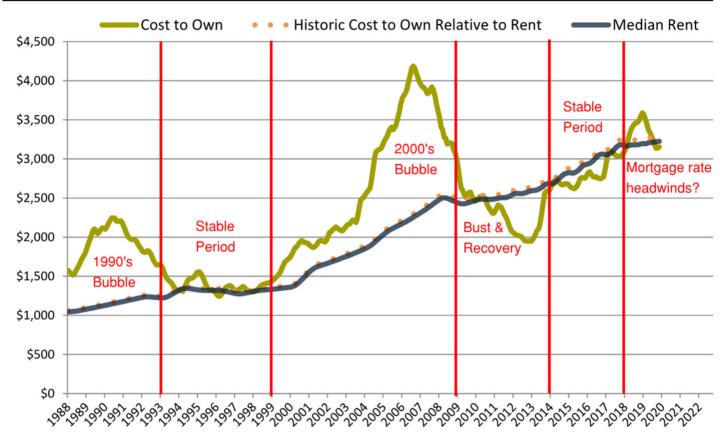
The next page of the report shows two charts: County median home price since January 1988, and County median rent and monthly cost of ownership since January 1988. These charts are designed to put current circumstances in historic context. They answer questions like, "How volatile are prices?" and "How does today's pricing compare to the fluctuations of the past?" and "How much danger is there in buying today?"

Orange County median home price since January 1988



With the green line for rental parity and the orange line for historic value, it's easy to tell when the market is fairly valued, overvalued, or undervalued.

Orange County median rent and monthly cost of ownership since January 1988

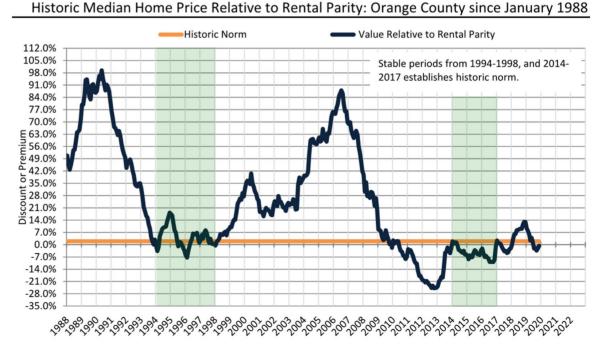


The chart above shows rent and monthly cost of ownership. It looks similar to the rental parity and resale home price chart, as it merely converts that information to a monthly format. For those who have difficulty relating to the large numbers of purchase price, viewing the data in terms of monthly expenses is easier to put into context.

HISTORIC VALUATION

The next page in the report shows two charts: Historic Median Home Price Relative to Rental Parity: County since January 1988, and TAIT Market Timing System Rating: Orange County since January 1988.

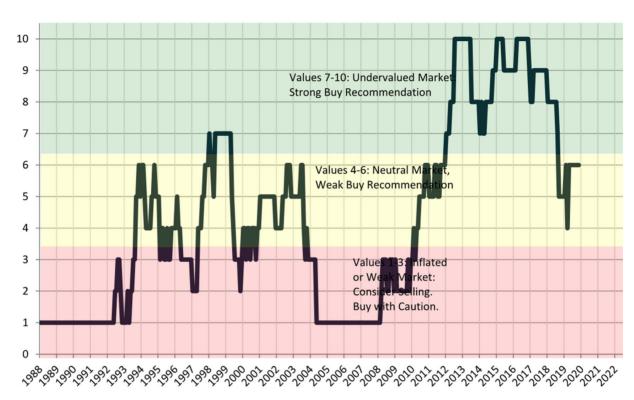
The chart above shows, at a glance, how close the market trades to its



historic norm. The benchmark period is shown in green, and the degree of market volatility can be inferred from the scale to the left. For example, Orange County traded for as much as 25% below rental parity and 100% above it during the 31-year period shown.

TAIT RATING SYSTEM CHART

The market timing rating system mechanically identifies both good and buy dimes to buy based on valuation, resale price change, and rental rate change.



The importance of rental parity

Rental parity is important because it represents the threshold of affordability. When prices are above rental parity, it costs more to own than to rent, so owning is often not a wise financial decision. Owning may still be right for people, and many are willing to pay the premium to own to obtain the emotional benefits of ownership; however, on a purely financial basis, paying more than rental parity is generally not wise because prices will inevitably return to this price level in time.

When prices are below rental parity, it costs less to own than to rent, so owning under these circumstances is generally a wise choice. Since a buyer who pays less than rental parity for a house is saving money, there is a clear financial benefit obtained irrespective of fluctuations in resale price.

When the cost of ownership is less than rental parity, an owner is far less likely to be forced to sell at a loss. The property can always be rented to cover costs rather than sell for a loss. Further, this ability to rent and at least break even provides the owner with flexibility to move if necessary. Mobility to take a new job or buy a different house is denied to those who overpaid and who are stuck paying more in the cost of ownership than they can obtain in rent.

With these advantages, buying at a price below rental parity using fixed-rate financing is critical. Every buyer should consider rental parity in their buying decision.

RENTAL PARITY AS BASIS OF VALUE

Valuation is the least understood, yet most important, aspect of a housing market. Economists look at various ratios including price-to-income, price-to-rent, and other aggregate measures to attempt to establish valuation metrics. Each of these has strengths and weaknesses, but each of them fails because they don't directly connect the actions of an individual buyer to the activity in the broader market. For this reason, I strongly favor rental parity as the best measure of valuation. Rental parity ties together income, rent, interest rates, and financing terms in a way that matches the activities of individual buyers to the overall price activity in the market.